

AMENDED IN ASSEMBLY APRIL 23, 2013

AMENDED IN ASSEMBLY MARCH 13, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1258

Introduced by Assembly Member Skinner

February 22, 2013

An act to ~~amend Section 2836 of the Public Utilities Code~~ *add and repeal Section 25325 of the Public Resources Code*, relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

AB 1258, as amended, Skinner. Electricity: hydroelectric *and pumped storage* facilities.

Existing law requires the State Energy Resources Conservation and Development Commission, beginning November 1, 2003, and every 2 years thereafter, to adopt an integrated energy policy report which includes an overview of major energy trends and issues facing the state. Existing law requires the State Energy Resources Conservation and Development Commission, beginning November 1, 2004, and every 2 years thereafter, to prepare an energy policy review to update analyses from the integrated energy policy report or to raise energy issues that have emerged since the release of the integrated energy policy report.

The Public Utilities Act imposes various duties and responsibilities on the Public Utilities Commission with respect to the purchase of electricity and requires the Public Utilities Commission to review and adopt a procurement plan and a renewable energy procurement plan for each electrical corporation, as defined, pursuant to the California Renewables Portfolio Standard Program. The California Renewables

Portfolio Standard Program requires the Public Utilities Commission to establish a renewables portfolio standard requiring all retail sellers, as defined, to procure a minimum quantity of electricity products from eligible renewable energy resources, as defined, at specified percentages of the total kilowatthours sold to their retail end-customers during specified compliance periods. The program additionally requires each local publicly owned electric utility, as defined, to procure a minimum quantity of electricity products from eligible renewable energy resources to achieve the targets established by the program. The program requires the State Energy Resources Conservation and Development Commission to perform various activities, including certification of eligible renewable energy resources, the design and implementation of an accounting system to verify compliance with the renewables portfolio standard by retail sellers and local publicly owned electric utilities, and establishing a system for tracking and verifying renewable energy credits, as defined.

This bill would require the State Energy Resources Conservation and Development Commission, in consultation with the Public Utilities Commission, the Department of Water Resources, the Independent System Operator, electrical corporations, publicly owned utilities, federal power marketing authorities, and the federal Bureau of Reclamation, to perform a technical analysis of the potential use of existing hydroelectric and pumped storage facilities, as specified, to provide additional operational flexibility that could facilitate the integration of eligible renewable energy resources for the state's electrical grid. The bill would require the State Energy Resources Conservation and Development Commission to complete its technical analysis and include its analysis in an energy policy review by November 1, 2014.

~~Under existing law, the Public Utilities Commission (PUC) has regulatory authority over public utilities and can establish its own procedures, subject to statutory limitations or directions and constitutional requirements of due process.~~

~~Existing law requires the PUC to open a new proceeding to determine the appropriate targets, if any, for each load-serving entity to procure viable and cost-effective energy storage systems to be achieved by December 31, 2015, and December 31, 2020.~~

~~This bill would require the PUC, on or before March 1, 2014, to open a new proceeding or expand the scope of an existing proceeding to determine the potential use of existing hydroelectric facilities and~~

~~specified pumped storage facilities to provide additional operational flexibility that could facilitate the integration of renewable resources.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. It is the intent of the Legislature that load serving
2 entities maximize the use of existing hydroelectric and pumped
3 storage facilities for energy storage and renewable energy
4 integration, ~~subject to constraints required to protect fish, wildlife,~~
5 ~~and public safety.~~

6 SEC. 2. Section 25325 is added to the Public Resources Code,
7 to read:

8 25325. (a) *The commission, in consultation with the Public*
9 *Utilities Commission, the Department of Water Resources, the*
10 *Independent System Operator, electrical corporations, publicly*
11 *owned utilities, federal power marketing authorities, and the*
12 *federal Bureau of Reclamation, shall perform a technical analysis*
13 *of the potential use of existing hydroelectric and pumped storage*
14 *facilities to provide additional operational flexibility that could*
15 *facilitate the integration of eligible renewable energy resources*
16 *for the state's electrical grid.*

17 (b) *The technical analysis shall include scenarios, based on*
18 *available operation and modeling data, on the means, if any, to*
19 *improve and optimize the operation of hydroelectric and pumped*
20 *storage facilities in a manner that meets California's environmental*
21 *and energy goals and in a manner that could reduce costs to*
22 *consumers and reduce impacts on the environment.*

23 (c) *The technical analysis required by this section shall include*
24 *the following pumped storage facilities:*

25 (1) *Helms pumped storage facility.*

26 (2) *Balsam Meadow pumped storage facility.*

27 (3) *Oroville pumped storage facility.*

28 (4) *Castaic pumped storage facility.*

29 (5) *San Luis pumped storage facility.*

30 (d) *The commission shall complete its technical analysis and*
31 *include its analysis in an energy policy review, made pursuant to*
32 *subdivision (d) of Section 25302, by November 1, 2014.*

1 ~~(e) This section shall remain in effect only until January 1, 2017,~~
2 ~~and as of that date is repealed, unless a later enacted statute, that~~
3 ~~is enacted before January 1, 2017, deletes or extends that date.~~

4 ~~SEC. 2. Section 2836 of the Public Utilities Code is amended~~
5 ~~to read:~~

6 ~~2836. (a) (1) On or before March 1, 2012, the commission~~
7 ~~shall open a proceeding to determine appropriate targets, if any,~~
8 ~~for each load-serving entity to procure viable and cost-effective~~
9 ~~energy storage systems to be achieved by December 31, 2015, and~~
10 ~~December 31, 2020. As part of this proceeding, the commission~~
11 ~~may consider a variety of possible policies to encourage the~~
12 ~~cost-effective deployment of energy storage systems, including~~
13 ~~refinement of existing procurement methods to properly value~~
14 ~~energy storage systems.~~

15 ~~(2) The commission shall adopt the procurement targets, if~~
16 ~~determined to be appropriate pursuant to paragraph (1), by October~~
17 ~~1, 2013.~~

18 ~~(3) The commission shall reevaluate the determinations made~~
19 ~~pursuant to this subdivision not less than once every three years.~~

20 ~~(4) Nothing in this section prohibits the commission's evaluation~~
21 ~~and approval of any application for funding or recovery of costs~~
22 ~~of any ongoing or new development, trialing, and testing of energy~~
23 ~~storage projects or technologies outside of the proceeding required~~
24 ~~by this chapter.~~

25 ~~(b) (1) On or before March 1, 2012, the governing board of~~
26 ~~each local publicly owned electric utility shall initiate a process~~
27 ~~to determine appropriate targets, if any, for the utility to procure~~
28 ~~viable and cost-effective energy storage systems to be achieved~~
29 ~~by December 31, 2016, and December 31, 2020. As part of this~~
30 ~~proceeding, the governing board may consider a variety of possible~~
31 ~~policies to encourage the cost-effective deployment of energy~~
32 ~~storage systems, including refinement of existing procurement~~
33 ~~methods to properly value energy storage systems.~~

34 ~~(2) The governing board shall adopt the procurement targets, if~~
35 ~~determined to be appropriate pursuant to paragraph (1), by October~~
36 ~~1, 2014.~~

37 ~~(3) The governing board shall reevaluate the determinations~~
38 ~~made pursuant to this subdivision not less than once every three~~
39 ~~years.~~

1 ~~(e) (1) On or before March 1, 2014, the commission shall open~~
2 ~~a new proceeding or expand the scope of an existing proceeding~~
3 ~~to determine the potential use of existing hydroelectric facilities~~
4 ~~and pumped storage facilities specified in paragraph (2) to provide~~
5 ~~additional operational flexibility that could facilitate the integration~~
6 ~~of renewable resources.~~

7 ~~(2) The pumped storage facilities to which paragraph (1) applies~~
8 ~~are the Helms pumped storage facility, the Balsam Meadow~~
9 ~~pumped storage facility, the Oroville pumped storage facility, the~~
10 ~~Castaic pumped storage facility, and the San Luis pumped storage~~
11 ~~facility.~~

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